

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5668-01
Bill No.: HB 1712
Subject: Elderly; Disabilities; Medical Procedures and Personnel; Health Dept.
Type: Original
Date: April 19, 2012

Bill Summary: Establishes a telephone tracking pilot project for in-home services providers in certain counties.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$32,279)	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$32,279)	Unknown to (Unknown)	Unknown to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Federal Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Revenues and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	.5 FTE	.5 FTE	.5 FTE
Federal	.5 FTE	.5 FTE	.5 FTE
Total Estimated Net Effect on FTE	1	1	1

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 660.023:

Officials from the **Department of Mental Health (DMH)** state the DMH is not specifically mentioned or required to take any action (other than possible collaboration with the Department of Health and Senior Services) that would result in a fiscal impact.

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** state this legislation establishes a pilot telephone tracking system for in-home service providers. The Department of Health and Senior Services is responsible for establishing the telephone tracking system. The proposed legislation will not have a fiscal impact on MO HealthNet.

Officials from the **Department of Health and Senior Services** assume this section requires the creation of a telephony tracking system pilot project in Jackson, Cass, and Clay counties.

Assumptions

The Division of Senior and Disability Services (DSDS) assumes that a statewide contract would be established to operate the pilot project. For the purposes of this fiscal estimate, it is assumed the costs would be covered by the Medicaid administrative match rate of 50 percent General Revenue/ 50 percent federal funds. However, if the Centers for Medicare and Medicaid determined it is not an allowable administrative cost, the funding would have to be from General Revenue only.

Personal Services & E&E

DSDS estimates it will need one Aging Program Specialist (APS) II to oversee the bid process; perform contract monitoring activities; field inquiries; resolve issues and complaints related to vendors, providers, and other interested parties; troubleshoot system implementation issues; act as a liaison between HCB providers and the telephony vendor; and provide training to HCB providers as necessary. Since the operational date is July 1, 2013, DSDS assumes the APS II will begin work with the effective date of the legislation. Standard per FTE expense and equipment is included in the fiscal estimate.

Contract Costs

For fiscal note purposes, the DSDS estimates the contract costs include a one-time licensing fee of \$100,000, an implementation fee of \$258,000, and an annual administrative fee of \$75,000. Visit verification costs were calculated based on an estimated 3,237 in-home clients X 5 visits per week X 2 transactions per visit X 52 weeks = 1,683,240 X \$0.15 per transaction = \$252,486).

ASSUMPTION (continued)

There would also be initial training fees of \$675 per agency and a monthly maintenance fee of \$50 (\$600 annually) per agency. Because the number of participating provider agencies is unknown, DSDS cannot provide an estimate of the cost for training and maintenance.

Estimated Savings

DSDS cannot estimate the cost savings that may be associated with implementation of this pilot project.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND			
<u>Savings - Department of Health and Senior Services (Section 660.023)</u>			
Program Savings	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Costs - Department of Health and Senior Services (Section 660.023)</u>			
Personal Service	(\$16,125)	(\$19,544)	(\$19,739)
Fringe Benefits	(\$8,537)	(\$10,347)	(\$10,450)
Equipment and Expense	(\$7,617)	(\$349,005)	(\$174,254)
Program Costs	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Total Costs - DHSS</u>	<u>(\$32,279)</u>	<u>(\$378,896 to Unknown)</u>	<u>(\$204,443 to Unknown)</u>
FTE Change - DHSS	0.5 FTE	0.5 FTE	0.5 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Up to \$32,279)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
Estimated Net FTE Change on General Revenue Fund	0.5 FTE	0.5 FTE	0.5 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
FEDERAL FUNDS			
<u>Income - Department of Health and Senior Services (Section 660.023)</u>			
Federal Assistance	<u>\$37,951</u>	<u>\$385,771 to Unknown</u>	<u>\$211,116 to Unknown</u>
<u>Costs - Department of Health and Senior Services (Section 660.023)</u>			
Personal Service	(\$16,125)	(\$19,544)	(\$19,739)
Fringe Benefits	(\$8,537)	(\$10,347)	(\$10,450)
Equipment and Expense	(\$7,617)	(\$349,005)	(\$173,984)
Program Costs	<u>(\$5,654)</u>	<u>(\$6,875 to Unknown)</u>	<u>(\$6,943 to Unknown)</u>
<u>Total Costs - DHSS</u>	<u>(\$37,951)</u>	<u>(\$385,771 to Unknown)</u>	<u>(\$211,116 to Unknown)</u>
FTE Change - DHSS	0.5 FTE	0.5 FTE	0.5 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change for Federal Funds	0.5 FTE	0.5 FTE	0.5 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2013 (10 Mo.)	 FY 2014	 FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small Home and Community Based (HCB) Service providers may incur a cost to implement and operate the system and train their staff.

FISCAL DESCRIPTION

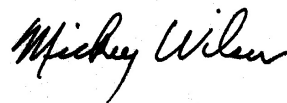
This proposal requires the Department of Health and Senior Services to collaborate with other appropriate agencies including in-home service provider agencies to establish a telephone tracking system pilot project by July 1, 2013, in Jackson, Cass, and Clay counties and repeals the provisions requiring the department to establish a pilot project in an urban area and one in a rural area. The department may subcontract with a statewide vendor to obtain the necessary products or services for the pilot project. The telephone tracking system must be used to track payroll hours for submitting claims for reimbursement to the MO HealthNet Division. The proposal removes the current provision specifying that an in-home service provider interested in participating in the pilot project cannot be required to pay the full cost of the project or be required to contract with a particular vendor or provider of telephony services.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services
Department of Social Services -
MO Health Net Division

NOT RESPONDING: Cass County, Clay County, and Jackson County



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Director
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